

**Town of Westford
Finance Committee Meeting With Selectmen
Millennium School
March 25, 2008**

Present: Dave Murray, Kelly Ross, Rose O'Donnell, Tom Price, Al Herget, Alicia Corvino, Ingrid Nilsson, Michael Princi, Suzanne Marchand

Absent: Jeanne Drula

Selectmen: Jim Sullivan, Bob Jefferies, Valerie Wormell, Nancy Rosinski

7:30 PM Call to Order

Updated Financial Model Scenarios

Marchand gave a brief overview of the current financial model for the Town. Included in the projection was the Governor's revised financial aid numbers to the State. Khumalo stated that he wanted the excess revenue to be put into a capital stabilization fund. The Financial Model that Marchand handed out shows the different funding scenarios for the firefighters, including overrides. It also shows the amount above or below minimum recommended reserves for each scenario

Corvino asked why the unclassified budget increases so rapidly in the outlying years. Marchand noted that health insurance costs are expected to increase 10% a year, and retirement costs are expected to increase 15% a year. Jefferies noted that it may be a worthwhile exercise to see how many employees need to be laid off in order to level off the cost of the health insurance.

Murray concluded that the last meeting ended with both the Selectmen and Finance Committee agreeing that an override was not the solution to funding the firefighters.

Capital Plan

Marchand said that the capital plan for FY09 has \$779,500 budgeted for it, with \$735,500 pay as you go. \$44,000 will be reallocated from a previous year's appropriation.

Khumalo said that he asked the department heads if any items can be delayed, and they said they could not support that decision. Marchand noted that cutting capital is not the solution because there is only a one time cost savings. Cuts need to be made to the operating budget to make an impact. Khumalo pointed out that many more capital projects need to be funded. Towards the top of the list would be the Animal Control kennel. Rosinski suggested that we bill Tyngsboro for part of the costs for updating the kennel. Perchlorate costs could be as much as \$600,000, where only \$400,000 is currently budgeted. Also, Town Hall will cost more than what is currently appropriated.

Marchand said she was going to meeting with the capital inventory firm tomorrow to get a more accurate cost of the Town's inventory project. The project will help with future capital planning and will give a status of all equipment. Wormell asked if there would be any costs savings with insurance. Marchand said there could be a savings. All of the information collected during the inventory will be entered into Munis. Rosinski asked if seniors could be used to take the inventory as part of a co-op program.

Price mentioned the Town may have to start looking at cutting departments rather than funding them. Littleton has functioned without Animal Control for a few years now.

Jefferies said that the perchlorate cleanup should be charged back to Maine Drilling & Blasting since they were the cause. Khumalo said that the cleanup needs to happen immediately since it is a public health issue. The Town cannot wait for a settlement.

Marchand said that the town officials need guidance on what recommendations to make regarding the budget. Whenever a program is recommended to be cut, the boards always say not to cut that particular program.

Adult Supportive Day Discussion

Joanne Sheehan and Judy Ramirez joined the meeting to discuss the Adult Supportive Day Care. As of right now, the program will need a \$44,000 general fund subsidy or it will be forced to close on June 30, 2008. The average client pays \$32 a day for services. This rate increases every year. Ross asked they have been pursuing grants to cut the deficit, but Sheehan said that they have only received about \$6,000 in grants. Also, they have not been accepting new clients since there is a good chance that they will have to transition out of the program in three months. Currently, there are 13 people in the program. To break even, the Adult Day needs 15 people per day paying at least \$35 each.

Khumalo noted that there is a \$14,000 deficit from FY07, and there will be another large deficit this year. The law says that 53 E ½ revolving funds cannot have a negative balance at year end. Therefore, a projected subsidy of \$28,000 will be appropriated at Town Meeting. The revolving fund is going to be retained in the Town Warrant Articles. However, Khumalo said that he is not convinced that a plan could be put in place to fix the Adult Day Program. Wormell suggested running the program through the Roudenbush. Murray suggested joining with other Towns. Sheehan noted that she was meeting with Groton Woods tomorrow.

Ross questioned why the revolving fund would be left on the Town Warrant if the program is going to be shut down? Marchand replied that there was not much benefit to leaving it on the warrant and it could be removed. Also, Marchand said that if the program was dissolved, the employees would need to reapply for their jobs.

Jefferies questioned why the Town would subsidize programs such as the preschools and then not support the Adult Supportive Day. The pre-schools need to charge rent for the use of Town buildings. Children from other towns are allowed to use the pre-school as well. The same set of rules should be applied to all of the programs.

Princi noted that the Roudenbush covers the offset in their budget. Marchand said that the Roudenbush budget covers only the director's salary and does not include rent or any other costs.

In summation, the Adult Supportive Day will cost \$28,000 at year end to dissolve. It was suggested the Council on Aging research whether or not it is feasible for the Roudenbush Community Center to pick up the program in a cost effective manner.

O'Donnell motioned to discontinue the Adult Day Program as the Town Manager recommended and to have the Roudenbush Community Center be researched as an alternative location for the program. The motion was seconded by Corvino and passed 7 to 1. Herget dissented.

Operating Budget – Additional Firefighters

Members of the Fire Department joined the meeting, headed by Chief Rochon and Lieutenant Barrett. Khumalo said the Selectmen's suggestion of hiring a floating position for the Fire Department was not a cost effective way to reduce overtime. Rochon mentioned that cutting overtime is a safety risk and does not meet the intent of the grant.

Barrett said that the percentage of the budget that is allocated towards the Fire Department is lower than in the other Market Basket communities. Westford also provides better services with their two ambulances. The Fire Department was also able to secure over \$1,000,000 in grants this year. To fund the additional firefighters, the Fire Department respectfully asks that the Selectmen reconsider their decision to pursue an override. That way the townspeople can decide whether or not to staff the Rogers station. If the override fails, then the Town can give back the grant money.

Jefferies said that an override is not necessary to fund the firefighters. The department's level of service is just being brought up to par. The override will take place to fix the Town's structural deficit. O'Donnell said that there is no time to plan an override. After

Town Meeting, they will be working on an override plan that will fix the Town's financial problem. Marchand questioned what if the override did not pass? Over \$700,000 will have to be cut from the operating budget to fund the firefighters. Ross mentioned that the Town has always gotten an unexpected source of revenue the past few years. It's evident that Fiscal Year 2010 could be a problem, so a plan needs to be put in place.

Khumalo said that he asked Rochon to cut expenses from the Fire Department budget to help fund some of the costs of the new firefighters. Marchand noted that the Board of Selectmen and Finance Committee need to make a commitment to plan an override for next year.

Reserve Fund Transfers

Khumalo and the Selectmen requested \$11,500 to pay for a consultant for the Town Manager executive search. Corvino motioned to transfer \$11,500 from the Finance Committee reserve fund (01131600-579010) to the Town Manager's Contracted Services expense account (01123200-524090) to pay for the consultant. The motion was approved unanimously, 8-0.

Khumalo requested \$39,700 to pay for ongoing activities for the perchlorate sampling program required by the DEP. O'Donnell motioned to transfer \$39,700 from the Finance Committee reserve fund (01131600-579010) to the Town Manager's Contracted Services expense account (01123200-524090) to pay for the sampling program. The motion was approved unanimously, 8-0.

Minutes

A motion was made by Ross to approve the minutes of February 27, 2008. The motion was seconded by O'Donnell and approved unanimously, 8-0.

A motion was made by Ross to approve the minutes of March 4, 2008. The motion was seconded by Price and approved, 5-0. Corvino, O'Donnell, and Princi abstained.

A motion was made by Ross to approve the minutes of March 11, 2008. The motion was seconded by Price and approved, 5-0. Nilsson, Herget, and Princi abstained.

A motion was made by O'Donnell to approve payment in the amount of \$220.00 to Dan O'Donnell for drafting the minutes of the Finance Committee Meetings. The motion was seconded by Princi and approved unanimously, 8-0.

Adjourn

10:05 – O'Donnell motioned to adjourn. Nilsson seconded the motion which was approved unanimously, 8-0.

Reserve Fund Balance FY08: \$38,310.25

Signed, Dave Murray
Finance Committee Chairman

Date